



October 30, 2017

***Ex Parte Notice***

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

**RE: *Connect America Fund, WC Docket No. 10-90; Modernizing the FCC Form 477 Data Program, WC Docket No. 11-10; Petition of NTCA and USTelecom Association for Targeted, Temporary Forbearance Pursuant to 47 U.S.C. §160(c), WC Docket Nos. 17-206 and 06-122***

Dear Ms. Dortch:

On Friday, October 27, 2017, the undersigned, on behalf of NTCA—The Rural Broadband Association (“NTCA”), and Ryan Boone, Chief Operating Officer of Premier Communications, met separately with: (1) Jay Schwarz, wireline advisor to Chairman Ajit Pai, and Brian McDonald, intern in the Chairman’s office; (2) Jamie Susskind, chief of staff and legal advisor to Commissioner Brendan Carr; and (3) Travis Litman, chief of staff and senior legal advisor to Commissioner Jessica Rosenworcel.

In each of these meetings, we highlighted the need to address the shortfalls in high-cost universal service fund (“USF”) support that are undermining the intended effectiveness of the USF programs as reformed last year. As NTCA outlined in prior meetings and filings, the negative impacts of the budget shortfalls on both firms electing model support and those that did not or could not do so include scaled-back rural broadband infrastructure investments, fewer locations served, lower speeds at locations that are served, and astronomically high consumer rates, particularly for standalone broadband. *See, e.g., Ex Parte Letter from Michael R. Romano, Sr. Vice President, NTCA, to Marlene H. Dortch, Secretary, Federal Communications Commission (the “Commission”), WC Docket No. 10-90 (filed Aug. 15, 2017).* Mr. Boone further discussed the specific implications of the unpredictable budget control mechanism on Premier, its customers, and its ongoing investment efforts.

Consistent with recent advocacy, we therefore urged the Commission to initiate a comprehensive “budgetary review” for high-cost USF as contemplated when the overall budget for that program was first adopted in 2011, and pending such review, to continue as a near-term measure to collect the current overall budget for high-cost USF without interruption. NTCA further explained that such a continued collection of support could and should be approved and achieved as the partial disposition of the budget issues raised by its still-pending 2016 petition for reconsideration, to which no oppositions were filed. *See Petition for Reconsideration and/or Clarification of NTCA, WC Docket No. 10-90, et al. (filed May 25, 2016), at 2-9; see also Petitions for Reconsideration of Action in Rate-of-Return Reform Proceeding, WC Docket No. 10-90, et al., Public Notice, Report No. 3047 (rel. July 11, 2016).*

To the extent that such collection then yields contributed amounts in excess of then-current high cost USF demand for the constituent program components, NTCA further urged the Commission to use any such additional sums to address the insufficiency in USF support described above and mitigate such shortfalls in support for carriers at least in the near-term. Once such a budgetary review is completed, the Commission can then make informed, updated judgments about the “right size” of the high-cost USF budget and its constituent components (including, but not limited, to the support to be distributed to smaller carriers via model-based or actual cost recovery mechanisms), and at that time provide revised instructions to USAC regarding a newly determined long-term proper level of collections. Finally, as a complement to the approach described above, NTCA urges the Commission, at a minimum, to use any available high-cost USF reserves that have not already been allocated pursuant to Commission order to fill the budget shortfall, again pending completion of a more comprehensive review.

We next discussed issues related to Form 477 reporting requirements, consistent with recent comments filed on this topic. Comments of NTCA, WC Docket No. 11-10 (filed Oct. 10, 2017). Specifically, we urged: (1) migration toward annual filing of the Form 477 given current utilization of the data gathered via that report; (2) prospective-only gathering of geocoded location information by all providers upon network installations or upgrades as a transition from census block-based reporting as a reasonable means of obtaining greater granularity in such reports with respect to availability; and (3) the use of sampling to identify subscription trends on statistically valid basis in lieu of burdensome detailed reports by census tract of service tiers subscribed to by consumers.

Finally, we discussed the status of the forbearance petition filed by NTCA and USTelecom with respect to contributions requirements imposed only upon a discrete set of broadband services, and urged Commission action with respect to that petition. *See* Petition for Forbearance of NTCA and the United States Telecom Association, WC Docket Nos. 17-206 and 06-122 (filed June 14, 2017).

Thank you for your attention to this correspondence. Pursuant to Section 1.1206 of the Commission’s rules, a copy of this letter is being filed via ECFS.

Sincerely,

/s/ Michael R. Romano

Michael R. Romano

Senior Vice President –

Industry Affairs & Business Development

cc: Jay Schwarz  
Brian McDonald  
Jamie Susskind  
Travis Litman